SHRI MENTAY PADMANABHAM : This is very serious, Sir ... (*Interruptions*) ...

MR. CHAIRMAN : .... unfortunately, today we cannot raise it because we have a Calling-Attention Motion which is there and, according to the normal practice of the House, on such days we do not have the Zero Hour discussion. Several Members have asked for permission to raise the matter during the Zero Hour. I shall be very glad to allow you to raise it tomorrow during the Zero Hour.

SHRI MENTAY PADMANABHAM : But, Sir, I have a submission. ... (*Interruptions*) ... The day before yesterday, when we raised this issue, the hon. Minister for Internal Security, Mr. Rajesh Pilot, gave an assurance in this House that he would make a statement today. ... (*Interruptions*) ...

SHRI M. M. JACOB : Question Hour should not be disturbed, Sir. ... (*Interruptions*) ...

MR. CHAIRMAN : I think, if I am right, the Minister did not say that he will make a statement today. He said ... (*Interruptions*) ... I looked at the record. The Minister said that he will review the situation, come back and make a statement. We will request the Minister to come forward and make the statement.

SHRI MENTAY PADMANABHAM : It is on record ... (*Interruptions*) ...

MR. CHAIRMAN : I cannot say it should be today. But we will request the Minister to do that.

SHRI MENTAY PADMANABHAM : He said in so many words. It is on record.

MR. CHAIRMAN : I saw the record. He did not say 'today'.

SHRI MENTAY PADMANABHAM : He said to day, Sir. The next available day.

SHRI S. SWAMINATHAN : The Tamil Nadu election has been postponed, Sir. At least, it is a very important matter. ... (*Interruptions*) ...

SHRI PRAMOD MAHAJAN : Question Hour is being converted into Zero Hour.

SHRI SUBRAMANIAN SWAMY : Ask them to control goondaism in Tamil Nadu. ... (*Interruptions*) ...

MR. CHAIRMAN : All this, I have already mentioned ... (*Interruptions*) ... I have already mentioned that all these things I will allow tomorrow because we have to proceed with the normal practice in the House.

Now, Question No. 221—Shri Viren Shah.

ORAL ANSWERS TO QUESTIONS

Scandal concerning Down-Grading of First Class Tickets in AI's Washington Office

@*221. SHRI VIREN J. SHAH † :
SHRI PRAMOD MAHAJAN :

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether Government's attention has been drawn to a report published in the Observer, New Delhi of June 21, 1993 under the heading "Scandal in Air India Washington Office";

(b) whether it is a fact that certain officials of the Air India Office in Washington and some World Bank officials have been involved in covert deals by having the first class air tickets changed or down-graded to club class and pocketing the differences in fares amounting to over $ 3,000 per trip to India;

(c) if so, what are the details in this regard;

(d) what are the names of officials of Air India involved;

(e) since how long these deals have been going on in Air India;

(f) whether any close relatives of these officials have been provided jobs in World Bank offices, if so, what are the names of such officials and the names of their close relatives; and

(g) what action Government have taken in the matter?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD) : (a) Yes, Sir.

@ Previously Unstarred Question 141 postponed from 5-8-1993.

† The question was actually asked on the floor of the House by Shri Viren J. Shah.

(b) and (c) As per Industry practice, airlines entertain requests from passengers to down-grade their tickets. The difference of fare is converted into Miscellaneous Charges Order (MCO) which can be used for further transportation etc. The refund has to be made to the Indentor/purchaser of the ticket. In August, 1991, the World Bank advised Air India not to entertain any request for down-grading of tickets by their staff for personal reasons. After issue of this advice, there was one instance where the first class tickets issued to a Senior Economist of the World Bank and his wife on Washington/New York/London/Saana/London/New York/Washington Sector were down-graded to club class. The M.C.O. representing the difference in fare amounting to US $ 3,446 which should have been marked for refund only to World Bank was instead marked for further transportation, excess baggage and refund. This was a deviation from the practice advised by World Bank.

(d) The down-grading of the tickets, in this case was authorised by Shri G. T. Shivdasani. Area Sales Manager, Air India Office, Washington DC.

(e) Air India has reported that this is the only case where deviation occurred from the practice recommended by World Bank in August, 1991.

(f) No close relative of the official who authorised the down-grading is reported to be employed in World Bank.

(g) Air India has cautioned the concerned Area Sales Manager.

SHRI P. UPENDRA : Sir, it is a lengthy one. It should have been laid on the Table of the House.

SHRI GHULAM NABI AZAD : There was a request made by the hon. Member, I have gone through the transcript which the hon. Chairman had agreed to that it should be read, not laid on the Table of the House. That is why I have read it.

MR. CHAIRMAN : First supplementary.

SHRI VIREN J. SHAH : Sir, I am glad that as per your direction, at least a detailed reply has come.

Sir, parts (b) and (c) of the reply say that refund to the indentor/purchaser is the practice. But the hon. Minister has mentioned that the refund was not made to the World Bank but to the person who travelled against the rule. He says in part (c) of the reply that this is the only case where deviation has occurred from the practice recommended by the World Bank in August, 1991. Now this is the only case with regard to the World Bank. May I know whether there are similar cases of organisations other than the World Bank where Air India has deviated and given their MCOs to the travellers rather than the indentor/purchaser? And in the reply that was officially given last week, on the 5th August, part (d) says, "while there is no evidence of any misappropriation, the concerned area Sales Manager had been cautioned by Air India. And in this reply today, the sentence, "while there is no evidence of any misappropriation" has been deleted. And what is given now is : "Air India has cautioned the concerned Area Sales Manager."

I would like to know whether since then the Government or Air India has found some evidence of misappropriation or whether any effort was made to find out any misappropriation.

SHRI GHULAM NABI AZAD : As for part (a), the hon. Member has asked whether there was any other occasion when it was done. Let me make it very clear. I have already mentioned that in accordance with the Industry practice permissible under IATA, the airlines can down-grade or re-route the tickets. Under the IATA rules and under the Industry practice, nobody can stop any airline from re-routing and down-grading the tickets. As for this case, this was a problem not of Air India; this was a problem of the World Bank. The World Bank had actually written a letter to Air India wherein they had said : "It has come to the notice of the World Bank that their staff was seeking assistance from airlines for down-grading the class of travel in order to extend the tickets for personal reason or to obtain an MCO that can be used for other transportation". They advised the airlines in August that such requests from the staff should not be entertained. So, this is... *(Interruptions.)*

SHRI VIREN J. SHAH : My supplementary question was whether other organisations also were.....

MR. CHAIRMAN : The question is really about the World Bank. The Minister has explained that the airlines have the authority to do that.

SHRI VIREN J. SHAH : My supplementary question was about the general practice to make a refund to the purchaser. I wanted to know whether in other cases, the refund is made to the indentor-purchaser or to the traveller. That is the difference. That is the question he should answer, whether that is done or not.

SHRI GHULAM NABI AZAD : Let me refer to IATA Resolution No. 736. This is about voluntary charges about tickets. And it says that at the request of a passenger, a member may effect a change in the routing and also carrier class of service or validity specified in the unused ticket. Sir, as I have already said, under the Industry rules and regulations and also under IATA, there is no bar on any airlines...whether Air India or any other airlines...and they can upgrade, they can downgrade, and they can re-route the tickets. But since the World Bank had some problem with their officers, who were re-routing and downgrading their tickets for their personal use, they brought to the notice of Air India that Air India should not entertain such requests. As I have said, ever since this request was made to Air India by the World Bank, this deviation happened only once.

SHRI VIREN J. SHAH : My question was about the refund. You yourself have said that under the IATA rules, the refund should go to the indentor or purchaser of the ticket. I wanted to know whether in other cases the refund has gone to the traveller or to the indentor-purchaser as laid down by IATA. That is my question.

SHRI GHULAM NABI AZAD : It can go to the indentor also and it can go to the purchaser also. What the World Bank has said is very clear. They have not said that there should be no downgrading at all. They have only mentioned in their letter.....

SHRI S. JAIPAL REDDY : The question is about the refund.

SHRI GHULAM NABI AZAD : They have not totally barred any such downgrading. In their letter they said that Air India should not entertain such requests. This is what they said in their first paragraph. And in the second paragraph they have said that should a traveller request that the tickets be downgraded, the residual MCO should indicate refund to the World Bank. That is correct. This is what I have already indicated in my reply.

SHRI VIREN J. SHAH : The question was whether the refund has gone to the organisation who were the purchaser of the ticket or to the traveller. That is a very simple question.

SHRI GHULAM NABI AZAD : The World Bank made it very clear to Air India that should somebody request for downgrading, they can downgrade the ticket but at the same time the MCO should indicate refund to the World Bank.

In this particular case, the ticket was downgraded. But the officer, instead of.....

SHRI VIREN J. SHAH : Should I repeat my question ? My supplementary was.....

MR. CHAIRMAN : I understand.

SHRI VIREN J. SHAH : In the case of other organisations, have there been any instances of the Air India office, Washington D.C., refunding the difference in fare to the traveller rather than to the indentor/purchaser ? This was my simple question. I am repeating it for the fourth time.

SHRI GHULAM NABI AZAD : You are not allowing me to complete. According to the World Bank, this ticket, this M.C.O., should have been indicated for refund to the World Bank. But this particular officer did not do that. I have already said this is the main answer to the question. If you go through the answer.....

SHRI VIREN J. SHAH : My supplementary was about other organisations.

MR. CHAIRMAN : He is asking about other organisations. But Mr. Viren Shah, as far as I can make out, this question is about the World Bank officials.

SHRI GHULAM NABI AZAD : There is no bar unless some other organisation also writes to us. There is no bar.

SHRI VIREN J. SHAH : Sir, the second part of my supplementary is.....

MR. CHAIRMAN : No. Second supplementary.

SHRI VIREN J. SHAH : Sir, when the question was answered first last week, it was mentioned in part (d) of the reply that '... there is no evidence of any misappropriation', but in the reply given today, this part is not there. My supplementary is, in the meantime, has the Ministry made any efforts to find out whether there are any other cases of misappropriation? If not,

why this portion from the reply of last week has been deleted now?

MR. CHAIRMAN : This question he has answered. You cannot go on asking about that. It is not a legitimate question.

SHRI VIREN J. SHAH : This is not there in the answer given now.

MR. CHAIRMAN : It was given to you. The answer had already been given. It is on record. But I allowed you to ask the question. I do not think it is a fair question.

SHRI VIREN J. SHAH : With greatest respect to you, Sir, supplementaries arise from the main answer.

MR. CHAIRMAN : I know, but you cannot raise this question. It is not related. He had already answered. It was given to you. It is on record. Therefore, what is deleted?

SHRI VIREN J. SHAH : My second supplementary is this. Sir, this question basically arises from the newspaper report about Air India's functioning. Therefore, may I know whether the Ministry has any information of similar instances of malpractices going on in other offices of Air India, in U.S.A. and other countries ? Has the Ministry made any efforts to find that out ?

SHRI GHULAM NABI AZAD : Sir, I have given a very elaborate reply. This was the only case. This M.C.O. which should have been marked for refund only to the World Bank was instead marked for further transportation, excess baggage and refund.

SHRI VIREN J. SHAH : Have there been similar instances in other Air India offices all over the World ?

SHRI GHULAM NABI AZAD : In this case also, this economist, this senior economist, did not use this facility. This was because it happened in the month of January this year. Unfortunately, in the month of January, we had riots in different parts of the country. As a result of this, he had to cancel his trip to India. He and his wife availed of the opportunity to go up to Saana/London and then back to New York. He did not use the facility which was provided to him by the Air India officer. He has since returned all the documents.

SHRI VIREN J. SHAH : My question was about other Air India offices.

MR. CHAIRMAN : He is asking about other Air India offices.

SHRI GHULAM NABI AZAD : This was the only case brought to our notice.

SHRI VIREN J. SHAH : Will you make efforts to find out?

SHRI GHULAM NABI AZAD : We will definitely make efforts if such things happen in other offices. We will definely take action. As far as this case is concerned, this particular officer has already been cautioned in writing by the Regional Director as well as by the Commercial Director.

SHRI PRAMOD MAHAJAN : Mr. Chairman, Sir, it is true that there is a standard practice in the airlines to entertain requests for downgrading the ticket. The difference in the fare is either used for further tansportation or returned to the actual purchaser. Now, I would like the hon. Minister to concentrate on corruption Air India style. What the officer of the Air India did was to downgrade the ticket. It was perfectly within the regulations where they can downgrade the ticket. They do not give the difference of $3,000 or 4,000 to the actual purchaser. They pay it directly to the passenger, and this amount is shared between the passenger and the Air India officers. It is a shame that the World Bank should write to us that this practice should not be observed in Air India. What made the World Bank write to us ? They don't write to every airline. They wrote to our airline.

MR. CHAIRMAN : Please put your question now.

SHRI PRAMOD MAHAJAN : That's why I think that the Minister is not looking into the basic corruption existing in the Washington office and elsewhere. It is not a question of IATA rules. It is a question of sharing profits. So my question is (a) who is this economist and what is his name, (b) how do you think that cautioning is enough for violating the rules, and (c) will the Minister assure that at least in future, No passenger, in any case, will be paid the downgraded amount in cash ?

SHRI GHULAM NABI AZAD : Sir, first of all, let it be made very clear with regard to cash. If I buy a ticket in cash, I am allowed to take the money in cash.

SHRI PRAMOD MAHAJAN : If you fly on Government of India account, money is not

given to you.

SHRI GHULAM NABI AZAD : No, no. I am talking of actual purchaser..... *(Interruptions)*... If it is on Government of India account, I will not get cash. When I travel even as a Minister, if I re-route, they do not give me the money in cash. They give me a small voucher. The same thing is done here also. Nowhere had the World Bank complained that Air India was giving money in cash to the passengers; no. They said that they were downgrading the tickets and then extending them to some other areas. This is what was done in this case.

SHRI PRAMOD MAHAJAN : It is as good as giving cash..... *(Interruptions)*... He is giving one more route to the passenger, and the World Bank doesn't know it.

SHRI GHULAM NABI AZAD : So, basically this was not an irregularity done by Air India. It has come to the notice of the world Bank that their employees were doing it and that is why they had written to the airline.

SHRI PRAMOD MAHAJAN : That was in collusion with Air India. If you don't do it, how will their employees do it ? The employees make a request and you are accepting the request.

SHRI GHULAM NABI AZAD : That is why the World Bank had requested Air India not to entertain them, and even if they want to entertain them for downgrading—that is the second part of the letter—they can entertain, but the MCO should be refunded to the World Bank and not to the passenger..... *(Interruptions)*...

SHRI SIKANDER BAKHT : Cautioning is not enough..... *(Interruptions)*...

SHRI PRAMOD MAHAJAN : I wanted to know the Senior Economist's name.

SHRI GHULAM NABI AZAD : The Senior Economist is—I don't have anything to hide about the Senior Economist...

SHRI SUBRAMANIAN SWAMY : Must be a BJP member.

SHRI GHULAM NABI AZAD : He is Mr. Rangachar.

MR. CHAIRMAN : Next question—Mr. M.C. Bhandare.

SHRI MURLIDHAR CHANDRAKANT BHANDARE : I stand here principally for a passenger's right, and I happen to be a passenger, travelling frequently. I stand for the passenger's right to reroute his ticket, to cancel his ticket, to downgrade his ticket and avail of all the facilities that are available in an extremely competitive aviation industry. I personally see no scandal at all and I don't appreciate how the Members are worked up about it. All that I am asking the hon. Minister is, in this matter it should be conveyed to the World Bank that it is a matter between the employee and the World Bank. This House or the Ministry does not in any way come into the picture at all. The question therefore, I ask of the Minister is : is there any way in which you will protect the right of passengers to downgrade their tickets and to have the difference in the fares available either for an excess route or for an excess baggage or even for refund?

SHRI GHULAM NABI AZAD : Sir, let me reply to the first part. As far as the World Bank is concerned, they are very much satisfied because once this was brought to the notice of the Regional Director in New York, the Regional Director directed this officer, Mr. Shivdasani, to meet an official of the World Bank. Let me go through the letter which has been addressed to him. They are more than satisfied, but my friends on the other side are not. I read it :

"Dear Mr. Shivdasani :

"I have recently returned to the office from a trip abroad, and am writing you as a follow-up to your meeting of May 7. Thank you for coming by to speak with Mr. Roan and me.

"As was indicated at the meeting, we were very concerned by the instance of downgrading by your office of a Bank staff member's Bank-issued tickets, the addition of India to the itinerary, and the issuance of MCO's to the staff member for the balance of the cost difference. We were glad to be able to speak with you about it.

"For our part, let me state that we appreciate the professional relationship we have enjoyed with the Air India office in Washington, and we look forward to being able to continue that relationship."

The operative part is :

"In this regard, we were pleased to hear that

the incident was an isolated case and does not reflect Air India's usual practice."

This is the letter which has been written by Mr. Jacob Van Deng, Chief, Travel and Shipping, World Bank. So, ther is no problem. I was again told that....

SHRI PRAMOD MAHAJAN: We are more concerned than satisfied. You read your own letter. Anyway, the World Bank certificate will be useful.

SHRI GHULAM NABI AZAD: I was asked whether the cautioning was enough.

The Regional Director has written this to him. The operative part is:

"Please ensure that in future the Bank's instructions are strictly followed."

The Commercial Manager from India has written this. Again I am reading the operative part:

"I must also take this opportunity to warn you that any deviation on your part in the compliance of the instructions already laid down and within your knowledge, will be seriously dealt with. This letter is being placed on your personal file, which please note."

The letter written by the Regional Director, New York, is on the 28th of May, and the letter written by the Commercial Director, Bombay, is on the 26th of June.

SHRI N. E. BALARAM: Sir, I am not very clear about the answers given by the hon. Minister. My point is, if the World Bank has found out that there are some difficulties with its own staff, it should discipline them by itself. It is not the business of Air India or the Government of India to discipline their passengers. They are giving advice to Air India. What is the meaning of giving the advice? I am reading from your answer:

"The refund has to be made to the indentor/purchaser of the ticket. In August, 1991, the World Bank advised Air India...."

Who are they to advise us about our own business line? The business line of Air India is to permit, to entertain requests of passengers to downgrade their tickets. That is a usual business practice of the Air India. You are doing it. How can the World Bank come and say, "You don't do it."? How can they instruct you or advise you, and why do you accept their advice? I don't understand this. You are reading so many letters. You say that the World Bank is satisfied as if we have to satisfy the World Bank. Why? What is the need for it? If the World Bank has any difficulties in controling their officers, that is their duty to do it. It is not the duty of Air India. How can you justify deviation from your practice?

SHRI GHULAM NABI AZAD: We are needing their advice only to the extent of their officials, not for the whole world. This letter they have written only for their officers. As far as their officers are concerned, we are abiding by their request, request not with regard to the *rest of the world*.

SHRI G. G. SWELL: The Minister in his reply is trying to make matters very simple. It is not that.

MR. CHAIRMAN: You want to complicate it.

SHRI G. G. SWELL: I would like to know for how long these dirty deals have been going on in Air India. This practice of down grading the tickets and getting the difference must have been ... [*Interruptions*] ... May I ask the question, Sir?

MR. CHAIRMAN: Please ask the question.

SHRI G. G. SWELL: I am asking. You please hear me. As I said, this practice of downgrading the tickets and paying the difference to the purchaser must have been very widespread in the World Bank. It must have been a long-standing practice so as to provoke them to write to Air India I would like to know how many such cases have happened in the past before the World Bank wrote this letter to you. Have you got the figure of the amount of money they refunded in this particular way before the World Bank wrote? Even after the World Bank has written to you, you say that is one isolated case. O.K. You have warned Mr. Shivdasani. That is all you have said. But has Mr. Shivdasani explained to you why, inspite of the letter from the World Bank, he did this? It is a matter of shame that the passenger also happens to be an Indian.

SHRI GHULAM NABI AZAD: I think the hon. Member did not hear when I said that this is not an unusual pratice. This is a usual pratice all over the world, according to IATA and

industry rules. It is only unfair because there was some problem, some misuse was being made by the World Bank Officer. To certain that they have written to Air India. As far as the Airlines practice is concerned, this is not unusual. This is not irregular. ... [*Interruptions*] ...

MR. CHAIRMAN: The Minister has answered the question.

SHRI G. G. SWELL: I would like to know whether Mr. Shivdasani has explained his action. Has he given the reason why he did it despite the letter from the World Bank?

MR. CHAIRMAN: I think the Air India Manager has taken it up and warned him accordingly.

SHRI GHULAM NABI AZAD: Sir, he has already been cautioned. The Regional Director and the Commercial Director have already written to him. More so, this letter was received by Air India Office in August 1991 and this Officer joined only in 1992.

MR. CHAIRMAN: Q. No. 224.

एक माननीय सदस्य: 223 का क्या हुआ?

श्री नारायण प्रसाद गुप्ता: मेरा ट्रांसफर हो गया 24 तारीख को? मुझे सूचना मिली है कि 24 को है ... *(व्यवधान)* ... मुझे लिखित मिला है कि 24 को है ... *(व्यवधान)*

MR. CHAIRMAN: It has been transferred to 20th August. I am told the Members have been informed about it.

*222 *[Transferred to 20th August, 1993]*

*223 *[Transferred to 24th August, 1993]*

New Growth Centres for Gujarat

*224. SHRI RAJUBHAI A. PARMAR:
SHRI VITHALBHAI M. PATEL: †

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that only one growth centre has been sanctioned to Gujarat;

(b) if so, what are the reasons for not sanctioning more growth centres to Gujarat;

(c) whether it is also a fact that sufficient amount to be invested on this project has not been released; and

(d) if so, what are the reasons for not releasing funds required for the growth centre?

उद्योग मंत्रालय (औद्योगिक विकास विभाग) में राज्य मंत्री और उद्योग मंत्रालय (भारी उद्योग विभाग) में राज्य मंत्री (श्रीमती कृष्णा साही): (क) से (घ) गुजरात के लिये तीन विकास केन्द्र आवंटित किये गये हैं जिनमें से कच्छ, बनासकंठा और भड़ोच जिलों में एक-एक है। केन्द्र सरकार ने इन केन्द्रों के लिये अब तक 3 करोड़ रुपये जारी किये हैं।

SHRI VITHALBHAI M. PATEL: Mr. Chairman, Sir, the Government of India have released Rs. 2 crores only for the three growth centres instead of releasing Rs. 2 crores for each centre. So in 1992-93 and in 1993-94, Government have released only Rs. 2 crores, still, they have to release Rs. 6 crores. For 1993-94 also they have to release Rs. 3 crores. In all the Government of India have to release Rs. 9 crores for these centres.

Similarly, IDBI also have to release Rs. 2 crores for each growth centre. Uptill now, not a penny has been released by the IDBI. The Government of Gujarat had set up a Growth Centre Development Corporation. They have taken a loan from Gujarat Industrial Development Corporation to finance these growth centres. May I know from the Minister when she is going to release Rs. 9 crores which is already due to these three growth centres?

श्रीमती कृष्णा साही: सभापति महोदय, यह ग्रोथ सेंटर की जो योजना है, इसके तीन स्तर हैं। एक है बेसिस आफ स्टेट-वाईज़ एलोकेशन, दूसरा है—प्रोसीजर्स फार एप्रेज़ल और उसके बाद राशि आवंटित की जाती है।

माननीय सदस्य जानना चाहते हैं—इनके मूल प्रश्न का अर्थ यही है कि राशि रिलीज़ नहीं की गई है। मैं माननीय सदस्य को बताना चाहती हूं कि दो केंद्रों में मात्र 12.26 लाख रुपये ईच का खर्च बताया गया है। मैं इसलिए बताना चाहती हूं कि स्वीकृत केंद्र जो इनका है, गांधीधाम जिला कच्छ में, उसमें आवंटित राशि इनको पचास लाख दी गई है और अद्यतन वित्तीय प्रगति जो है, 12.26 लाख का व्यय हुआ है।

पालनपुर, जिला बनासकंठा के लिए पचास लाख की राशि आवंटित की गई है, जिसमें अद्यतन वित्तीय प्रगति जो है, 12.26 लाख का व्यय हुआ है।

बागरा, जिला भड़ोच में दो करोड़ की राशि इनको आवंटित की गई है। अद्यतन वित्तीय प्रगति 9.19 करोड़ का व्यय हुआ है।

---

† सभा में यह प्र ि श्री विठ्ठलभाई मोतीराम पटेल द्वारा पूछा गया।